

RENTAL MARKET REPORT

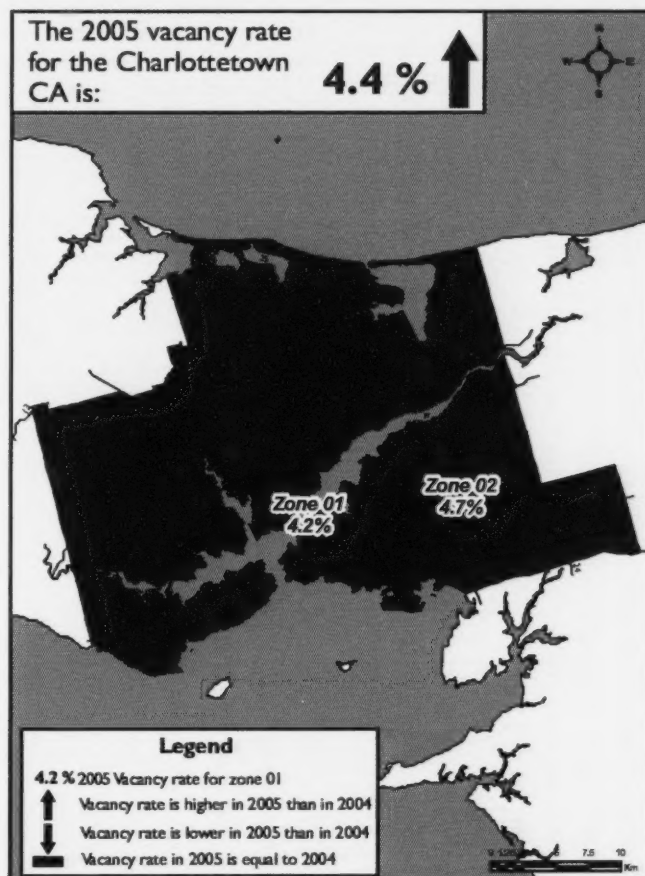
CHARLOTTETOWN CA

OCTOBER 2005

Rental Demand Falls Off Slightly In 2005

Vacancy Rate Advances for the Fourth Consecutive Year

For the fourth year in a row, the vacancy rate for apartment structures containing three or more units in the Charlottetown CA increased from the record low recorded in 2001. Though the average vacancy rate edged up from 4.2 per cent in October 2004 to 4.4 per cent this year, rental demand remains healthy in historical terms. Since 1995, the average annual vacancy rate for rental apartments is 4.1 per cent and this includes three years where the vacancy rate was above the 5 per cent mark. This report focuses on the survey results for both privately initiated row and apartment structures of three units and more.



IN THIS ISSUE

Analysis

- 1 Vacancy Rate Advances for the Fourth Consecutive Year
- 2 Average Rents Increase at a Reduced Pace
- 3 Vacancy Rate the Lowest for Most Expensive Units
- 4 Smaller Apartments Seeing Higher Vacancy Rates
- 5 More Units Available than the Vacancy Rate Suggests
- 6 Have Attractive Home Ownership Conditions Bolstered Vacancies?
- 7 Vacancy Rates Expected to Fall
- 8 An Increase in Rental Rates Likely
- 9 National Apartment Vacancy Rate Stabilizes

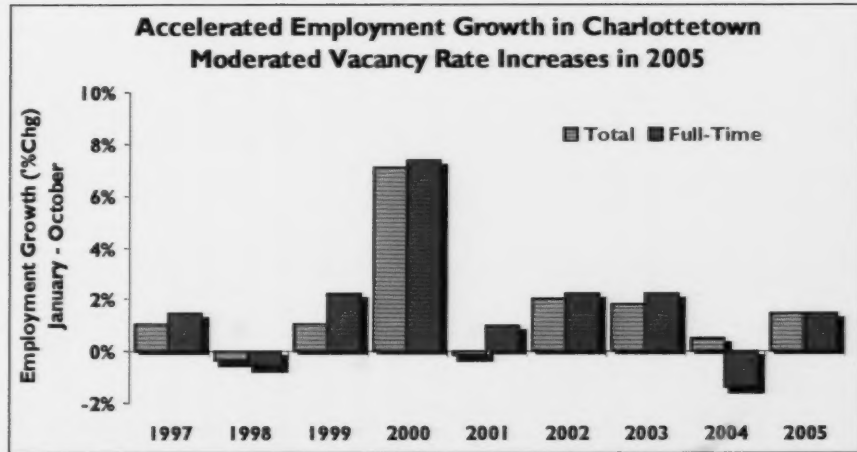
STATISTICAL TABLES

- 1.1.1 Private Apt. Vac. Rates
- 1.1.2 Private Apt. Avg. Rents
- 1.1.3 # of Private Apt. Units Vacant and Universe
- 1.1.4 Private Apt. Avail. Rates
- 1.2.1 Private Apt. Vac. Rates by Year of Construction
- 1.2.2 Private Apt. Avg. Rents by Year of Construction
- 1.3.1 Private Apt. Vac. Rates by Structure Size
- 1.3.2 Private Apt. Avg. Rents by Structure Size
- 1.4 Private Apt. Vac. Rates by Rent Range
- 3.1.1 Row and Apt. Vac. Rates
- 3.1.2 Row and Apt. Avg Rents
- 3.1.3 # of Row and Apt. Units Vacant and Universe
- 3.1.4 Row and Apt. Avail. Rates

Overall, 166 of the 3,781 rental apartment units in Charlottetown were vacant this October. However, compared to previous years, the slight increase in the average vacancy rate is not necessarily attributed to any one unit type. While there were noticeable changes in the vacancy rate for bachelor and three-bedroom+ units this year it is mostly a factor of the smaller universe size. As information was collected on fewer units this year, the vacancy rate calculation was more susceptible to fluctuations. One-bedroom and two-bedroom units posted negligible vacancy rate increases, going from 4.0 per cent to 4.1 per cent and from 3.7 to 3.9 per cent respectively.

Employment growth and continued positive migration have helped to sustain the healthy level of rental demand in Charlottetown. In the first ten months of 2005, employment accelerated from the pace recorded in the first ten months of 2004, increasing by 1.5 per cent compared to the 0.5 per cent growth last year. These positive employment returns are in addition to an already healthy labour market that has resulted in a new record high for employment in the Charlottetown area.

This employment growth has also been impacted by higher in-migration to Queens County. This has been particularly the case among the younger working age population. According to the most recent migration data from the 2004 Statistics Canada Tax Filer data on



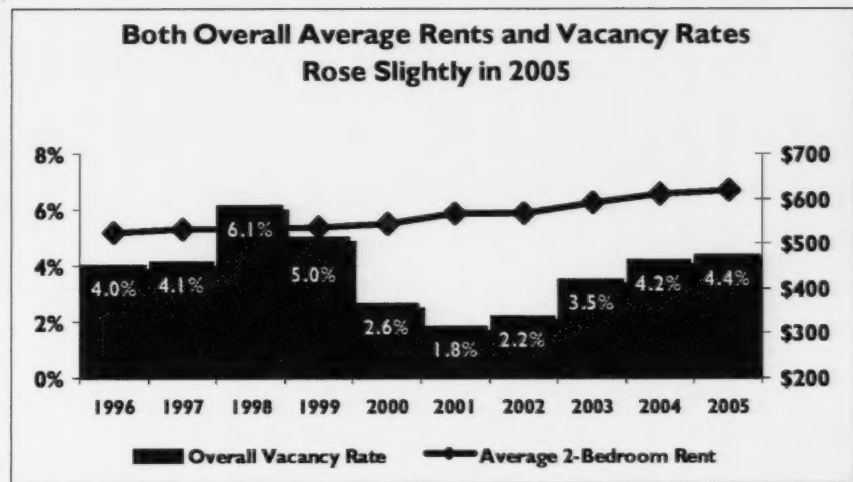
Source: Statistics Canada (Labour Force Survey)

migration, Queens County actually recorded a positive net migration of individuals aged 18 to 24 years for the first time in more than five years. This in-migration of youth is meaningful from the standpoint that the younger aged population are traditionally the most likely to rent compared to older age groups. In 2001, for households where the primary maintainer was less than 25 years of age, close to 90 per cent were renters.

Positive net migration for the Charlottetown area is expected to continue over the short-term as labour market conditions remain healthy and as urbanization continues to redistribute the Island's population. This in turn will support demand for rental accommodations into 2006.

The Charlottetown rental market may have seen an even greater increase in vacancy rates this year were it not for a slowdown in new rental units added to the local market. In the 2002 and 2003 period, there were more than 260 new rental units started in the capital region and completed in time for the October 2004 Rental Market Survey. This represents a substantial increase in supply over the annual average of 70 rental starts recorded in the previous ten years, and resulted in a marked increase in the vacancy rate between 2003 and 2004. Since the beginning of 2004, there have been only 112 rental starts, with many of these units not completed in time to be included in this year's survey. As a result, new rental supply is returning to a more normalized level, thereby moderating the increase in the vacancy rate compared to the substantial jumps recorded in the last few years.

At a zone level, there were notable changes in rental demand from last year's survey results. In October 2004, the peripheral areas of Charlottetown (Zone 2) enjoyed a lower vacancy rate of 3.1 per cent compared to the Downtown area (4.8 per cent). According to this year's survey, that trend has reversed. The average vacancy rate in the Downtown area declined from last year's mark. The Downtown is now seeing a lower vacancy rate than the periphery area, where the incidence of vacant rental apartments increased.



Source: CMHC

Though two-bedroom units make-up a larger percentage of both markets, demand for one-bedroom units in Charlottetown's periphery was slightly stronger than demand for two-bedroom units. The average vacancy rate this year for one- and two-bedroom units in this area was 3.1 and 5.1 per cent respectively.

Households looking for rental accommodations in Charlottetown's downtown area had a more difficult time finding vacant two-bedroom units than they did last year. Not only was the vacancy rate for two-bedroom units the lowest among all bedroom types, but demand for two-bedrooms appears to have increased. There was a substantial decline in the vacancy rate between 2004 and 2005, with rates going from 4.4 to 3.0 per cent per cent.

Average Rents Increase at a Reduced Pace

Partially as a result of fewer new high-end units included in the Rental Market Survey this year compared to last, the average rental rates increased only slightly. From October 2004 to 2005, the average two-bedroom rent increased 1.1 per cent, going from \$610 to \$617 per month. This increase was substantially lower than the 3.2 per cent increase in two-bedroom rents posted last year and only about half of the allowable 2 per cent rise stipulated by the Island Regulatory and Appeals Commission (IRAC), which manages residential rental increases on the Island. However, the stipulated increase only applies to existing units, and not to the rent that may be charged for new units.

The lower than normal increase in rents is also likely a result of increased competitive pressures within the rental market. With average vacancy rates moving up in recent years, tenants have had more and more choice in rental accommodations. Additionally, rental properties face competition in the form of favourable home buying conditions, and the options available to tenants that may be willing to make the switch to home ownership. Both factors contributed to landlords and property

managers curbing rent increases to keep their rental units competitively priced.

There was little difference in the increase in two-bedroom rents recorded in Zone 1 (Downtown) or Zone 2 (Peripheral), where average rents increased by 1.1 and 1.0 per cent respectively between 2004 and 2005.

Vacancy Rate the Lowest for Most Expensive Units

When broken down into rent ranges, the October 2005 Survey showed that once again the units with the highest average rents posted the lowest average vacancy rates.

Rental apartment units in the Charlottetown area with a rent between \$700 and \$799 per month had an average vacancy rate of 2.5 per cent in 2005. It is interesting to note that the highest recorded rent range, \$700-\$799, was the only rent range to post a decrease in this year's survey. This was contrary to the two trends seen in Charlottetown last year, where rental demand was strongest for apartment units in the \$500 to \$599 per month range and weakest in the \$700 to \$799 per month range.

The vacancy rate for units in the \$400 to \$499 per month rent range remained unchanged between 2004 and 2005 at 4.0 per cent.

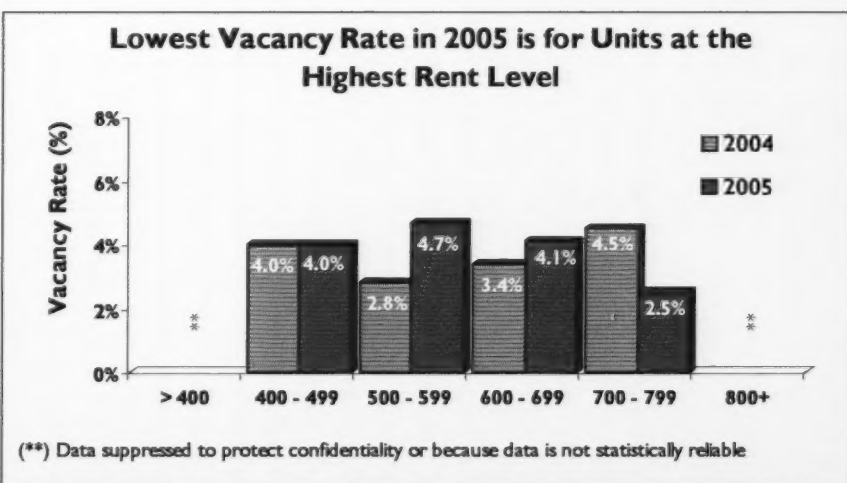
Smaller Apartments Seeing Higher Vacancy Rates

According to the Survey, larger rental apartment buildings in the Charlottetown area are slightly more popular than smaller buildings with fewer rental units. In October, the largest apartment buildings in the rental market had a vacancy rate of 3.0 per cent compared to the average vacancy rate of 5.0 per cent for buildings with only 3 to 5 units. This is a substantial change from last year, where the largest apartment buildings containing 50 to 99 rental units had the highest vacancy rate of 7.0 per cent.

According to the data that is available, there were some differences in vacancy rates by bedroom type for larger and medium sized apartment buildings. While larger buildings had an overall lower vacancy rate, this was not the case for two-bedroom units in larger buildings. Medium sized apartment buildings containing 20 to 49 units and 6 to 19 units had the lowest vacancy rates for two-bedroom units of 3.4 and 3.8 per cent respectively.

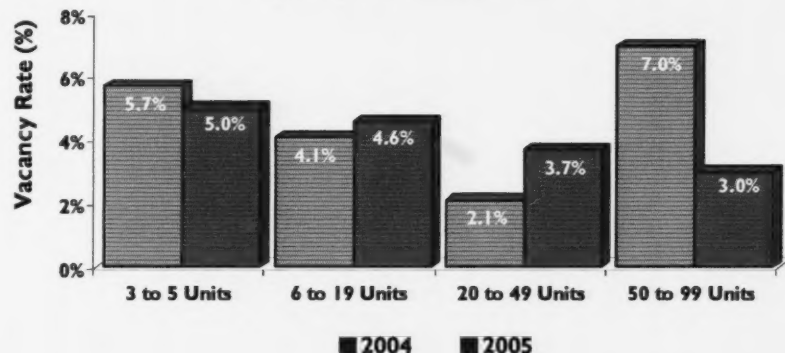
More Units Available Than the Vacancy Rate Suggests

In addition to the vacancy and rent data that is collected each year as part of the annual Rental Market Survey, this year landlords and property managers were



Source: CMHC

Greater Rental Demand Found in Larger Apartment Structures



Source: CMHC

asked about rental unit *availability*. What is the difference between vacancy and availability? The **Methodology** section on page 11 of this report provides specific definitions for these two terms, but simply put, an available apartment is one that is available for rent whether it is occupied or not. Apartments for which a tenant has given notice but for which a new tenant has not yet been signed to a lease are added to physically vacant units to determine availability. By definition, availability rates are higher than vacancy rates.

The apartment availability rate in Charlottetown this year is 6.8 per cent, more than two percentage points higher than the apartment vacancy rate. Availability rates by bedroom types are within 2.1 to 3.3 percentage points of the vacancy rate.

Without any historical availability data, it is difficult to conclude why there is a relatively larger gap between availability and vacancy rates for the larger two- and three-bedroom apartments compared to the smaller bachelor and one-bedroom apartments. One strong possibility is that attractive home ownership conditions have influenced more tenants of these apartment types to "give their notice" this year. As well, very low mortgage rates continued to keep home ownership within financial reach of many renter households.

More Rental Apartments Available That Are Not Necessarily Vacant



Source: CMHC

Have Attractive Home Ownership Conditions Bolstered Vacancies?

Many factors are considered to have an impact on rental demand in any given market. This includes but is not limited to employment growth, migration patterns and shelter costs. One influence that appears to have an impact on the Charlottetown rental market is the cost of home ownership relative to the cost of renting.

In 2001, rental demand in the Charlottetown areas was considered relatively strong, with an average vacancy rate for two-bedroom apartments at 1.8 per cent, compared to the vacancy rates of 5.6 and 6.9 per cent recorded in 2004 and 2003 respectively.

From 2001 to 2005, average resale prices have increased approximately 35 per cent, while the cost of a two-bedroom rental apartment has risen by only 9 per cent. In fact, the growth in average two-bedroom rents over the last year actually outpaced the increase in average monthly mortgage payments, encouraging more renters to jump into home ownership and creating more vacant units in the Charlottetown area. These favourable home buying conditions brought about by historically low mortgage rates has continued to allow many rental households to meet the financial requirements of home ownership. This has contributed to the gradual increase in vacancies in the relatively larger units as many of these tenants may have entered the homeownership market.

As average MLS® prices continue to move upward and with mortgage rates expected to increase into next year, average mortgage payments are expected to again grow at a faster pace than average rents, deterring some households from making the switch from renting to owning.

Vacancy Rates Expected to Fall

Partially as a result of the anticipated return to a more normal level of rental starts, the trend of creeping vacancy rates as seen in each of the past four years is not expected to continue next year. One reason for the significant increase in rental starts contributing to higher vacancies in the past couple of years has been developers wanting to take advantage of historically low financing conditions. More developers have been opting for better financing rates now rather than building at a later date with the expectation of higher interest rates, and increased labour, material and land costs. In essence, some of the future new rental supply has been brought to the market sooner, at the risk of being fully absorbed over longer periods of time.

Rental construction activity returned to more normalized levels this year. No substantial change is anticipated for the duration of 2005 and into 2006. Additionally, average home prices and mortgage rates are expected to continue to rise throughout the remainder of 2005 and into 2006. This will promote an even greater increase in average mortgage carrying costs and place homeownership out of the financial reach of more tenants who are interested in homeownership.

The average apartment vacancy rate is expected to be in the 3.5 to 4.0 per cent range in October 2006.

Favourable Home Buying Conditions Support the Move From Rental Accommodations



Source: CMHC, Canadian Real Estate Association

An Increase in Rental Rates Likely

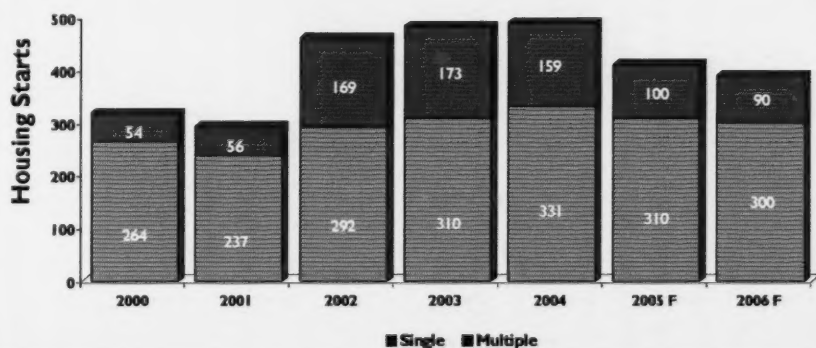
The average two-bedroom rent increase next year is not expected to lag the allowable IRAC rent increases as they did this year. Allowable rent levels increases in 2006 have been set at 3.5 per cent (unheated premises) and 7.5 per cent (heated premises), respectively.

An increase in the level of demand next year will put landlords and property owners into a greater bargaining position. Expect rents to increase at a pace more reflective of the ever-increasing costs associated with the management of rental properties. This

would include, but is not limited to, the increasing costs of heat and maintenance,

Though fewer newer and high-end rental units are expected to hit the market in the short-term, average rents are forecast to advance between 3.5 and 5.0 per cent in 2006.

A Decrease in Housing Starts to Compel Fewer Vacant Rental Units in 2006



Source: CMHC

Apartment Vacancy Rates (%) by Major Centres

| | 2004 | 2005 |
|------------------------|------------|------------|
| Abbotsford | 2.8 | 3.8 |
| Calgary | 4.3 | 1.6 |
| Edmonton | 5.3 | 4.5 |
| Gatineau | 2.1 | 3.1 |
| Greater Sudbury | 2.6 | 1.6 |
| Halifax | 2.9 | 3.3 |
| Hamilton | 3.4 | 4.3 |
| Kingston | 2.4 | 2.4 |
| Kitchener | 3.5 | 3.3 |
| London | 3.7 | 4.2 |
| Montréal | 1.5 | 2.0 |
| Oshawa | 3.4 | 3.3 |
| Ottawa | 3.9 | 3.3 |
| Québec | 1.1 | 1.4 |
| Regina | 2.7 | 3.2 |
| Saguenay | 5.3 | 4.5 |
| Saint John | 5.8 | 5.7 |
| Saskatoon | 6.3 | 4.6 |
| Sherbrooke | 0.9 | 1.2 |
| St. Catharines-Niagara | 2.6 | 2.7 |
| St. John's | 3.1 | 4.5 |
| Thunder Bay | 5.0 | 4.6 |
| Toronto | 4.3 | 3.7 |
| Trois-Rivières | 1.2 | 1.5 |
| Vancouver | 1.3 | 1.4 |
| Victoria | 0.6 | 0.5 |
| Windsor | 8.8 | 10.3 |
| Winnipeg | 1.1 | 1.7 |
| Total | 2.7 | 2.7 |

National Apartment Vacancy Rate Stabilizes

The average rental apartment vacancy rate in Canada's 28 major centres¹ was unchanged at 2.7 per cent in October 2005 compared to last year. This follows three consecutive increases in the vacancy rate over the 2002 to 2004 period. The vacancy rate remains below the average of 2.8 per cent observed over the 1995 to 2004 period.

Thanks to a solid economy and strong job creation, household formation has been healthy, which has promoted demand for both ownership and rental housing. The stabilizing of the vacancy rate across

the major centres reflects a number of factors. As the majority of new immigrants initially settle in rental housing, high levels of immigration have been a key driver of rental demand over the past year. Also, across most centres, more renters are remaining in rental units as the gap between the cost of home ownership and renting increased in 2005. These two factors have put downward pressure on vacancy rates over the past year.

On the other hand, home ownership demand remained very strong, which can be seen from the record level of existing home sales in 2005. Strong home ownership demand continues to apply upward pressure on vacancy rates. Adding to this is the high level of condominium completions in some centres. Condominiums are a relatively inexpensive form of housing that are often purchased by renter households switching to home ownership. In some cases, condos supplement the rental market as they may be purchased by investors who, in turn, rent them out.

Therefore, high levels of condominium completions have created competition for the rental market and have put upward pressure on vacancy rates.

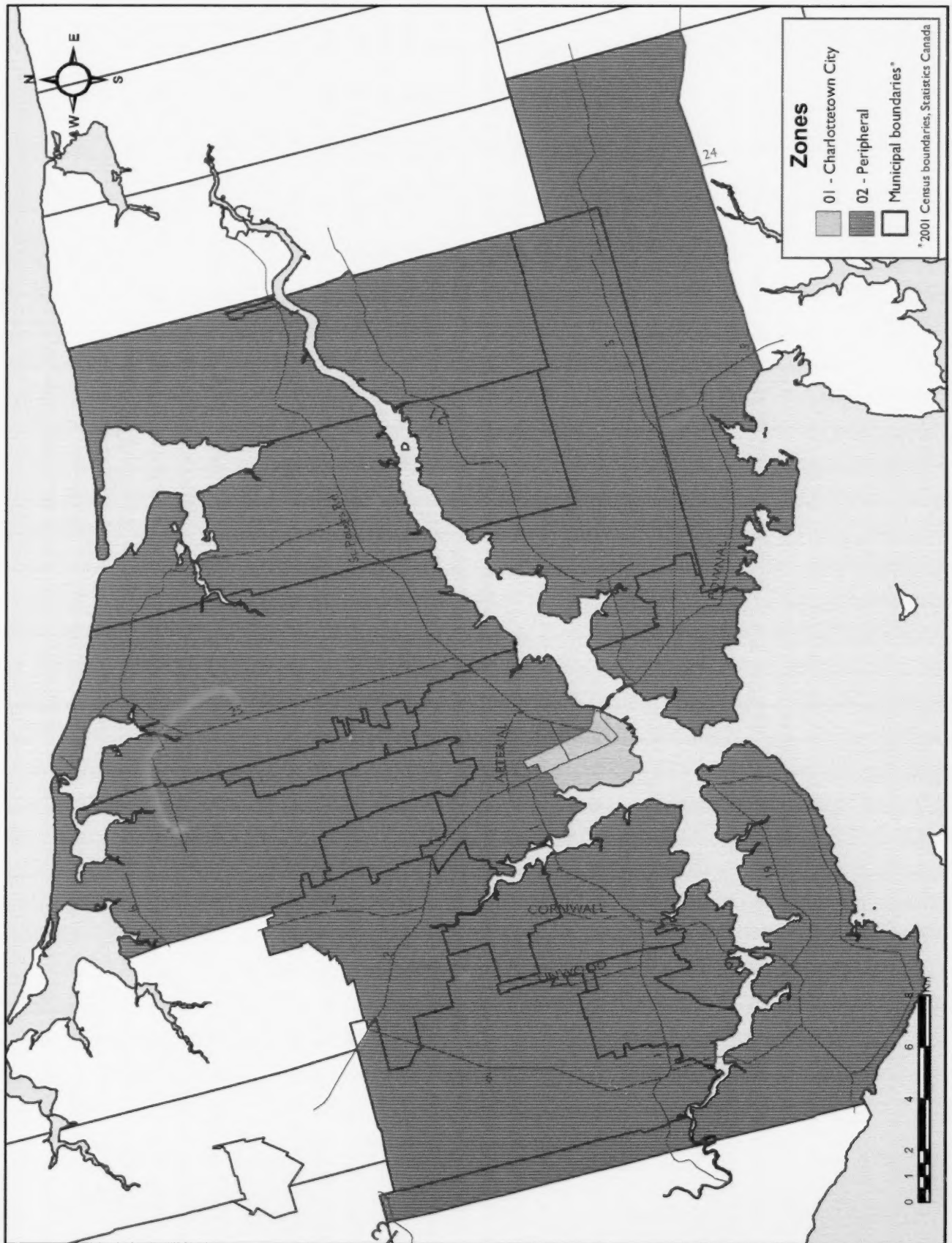
Even though the average rental apartment vacancy rate has moved higher in recent years, many households are still facing affordability issues across Canada. Either these households need to move to less expensive units or require additional help to make their monthly shelter costs more affordable. In some cases, however, there are not enough vacant units to meet the needs of all households in core housing need. Therefore, additional affordable housing units continue to be required.

The centres with the highest vacancy rates in 2005 were Windsor (10.3 per cent), Saint John (NB) (5.7 per cent), Saskatoon (4.6 per cent), Thunder Bay (4.6 per cent), Edmonton (4.5 per cent), St. John's (NFLD) (4.5 per cent), and Saguenay (4.5 per cent). On the other hand, the major urban centres with the lowest vacancy rates were Victoria (0.5 per cent), Sherbrooke (1.2 per cent), Québec (1.4 per cent), Vancouver (1.4 per cent), Trois-Rivières (1.5 per cent), Calgary (1.6 per cent), and Greater Sudbury (1.6 per cent).

Average rents for two-bedroom apartments increased in 25 of the 28 major centres. However in 15 of the 25 major centres where rents were up, the increases were small. The greatest increases occurred in Kitchener, Victoria, and Quebec where rents were up 6.0 per cent, 4.8 per cent, and 4.2 per cent, respectively. Overall, the average rent for two-bedroom apartments across Canada's 28 major centres increased by 1.6 per cent in October 2005 compared to last year.

The highest average monthly rents for two-bedroom apartments were in Toronto (\$1,052), Vancouver (\$1,004), and Ottawa (\$920), while the lowest were in Trois-Rivières (\$474) and Saguenay (\$472).

¹ Major centres are based on Statistics Canada Census Metropolitan Areas (CMA) with the exception of the Ottawa-Gatineau CMA which is treated as two centres for Rental Market Survey purposes.



ZONE DESCRIPTIONS - CHARLOTTETOWN CA

| | |
|-----------|--|
| Zone 1 | Downtown - South of Buchanan Dr and Montgomery Dr to Mount Edward Road; West of Mount Edward Road to St Peters Road; South of Belmont Street to Kensington Road; South of Park Street and extending all the way to the Bay. |
| Zone 2 | Peripheral - Remaining of Charlottetown. |
| Zones 1-2 | Charlottetown CA |

Zone Realignment and Census Tract Revision

For a number of centres, the zones were realigned to better match existing neighbourhoods (see zone descriptions) and, in some cases, the zones were renumbered. At the same time, the census tracts, which make up the zones, were revised to make them correspond to the 2001 census boundaries (as determined by Statistics Canada). The result of these two actions is the following: the universe size, the vacancy rate and the average rent reported for year 2004 in the 2004 rental market publications may be different from the year 2004 numbers reported in the 2005 reports.

Rental Market Report Tables

Available in ALL Rental Market Reports

Private Apartment Data:

- 1.1.1 Vacancy Rates (%) by Zone and Bedroom Type
- 1.1.2 Average Rents (\$) by Zone and Bedroom Type
- 1.1.3 Number of Units - Vacant and Universe by Zone and Bedroom Type
- 1.1.4 Availability Rates (%) by Zone and Bedroom Type
- 1.2.1 Vacancy Rates (%) by Year of Construction and Bedroom Type
- 1.2.2 Average Rents (\$) by Year of Construction and Bedroom Type
- 1.3.1 Vacancy Rates (%) by Structure Size and Bedroom Type
- 1.3.2 Average Rents (\$) by Structure Size and Bedroom Type
- 1.4 Vacancy Rates (%) by Rent Range and Bedroom Type

Available in SELECTED Rental Market Reports

Private Apartment Data:

- 1.3.3 Vacancy Rates (%) by structure Size and Zone

Private Row (Townhouse) Data:

- 2.1.1 Vacancy Rates (%) by Zone and Bedroom Type
- 2.1.2 Average Rents (\$) by Zone and Bedroom Type
- 2.1.3 Number of Units - Vacant and Universe by Zone and Bedroom Type
- 2.1.4 Availability Rates (%) by Zone and Bedroom Type

Private Apartment and Row (Townhouse) Data:

- 3.1.1 Vacancy Rates (%) by Zone and Bedroom Type
- 3.1.2 Average Rents (\$) by Zone and Bedroom Type
- 3.1.3 Number of Units - Vacant and Universe by Zone and Bedroom Type
- 3.1.4 Availability Rates (%) by Zone and Bedroom Type

1.1.1 Private Apartment Vacancy Rates (%)
by Zone and Bedroom Type
Charlottetown CA

| Zone | Bachelor | | 1 Bedroom | | 2 Bedroom | | 3 Bedroom + | | Total | |
|---------------------|----------|------|-----------|------|-----------|------|-------------|------|-------|------|
| | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 |
| Zone 1 - Downtown | 9.3 | 6.5 | 4.4 | 4.4 | 4.4 | 3.0 | 6.6 | 11.1 | 4.8 | 4.2 |
| Zone 2 - Peripheral | ** | ** | 2.3 | 3.1 | 2.9 | 5.1 | ** | ** | 3.1 | 4.7 |
| Charlottetown CA | 9.9 | 6.0 | 4.0 | 4.1 | 3.7 | 3.9 | 7.2 | 11.5 | 4.2 | 4.4 |

1.1.2 Private Apartment Average Rents (\$)
by Zone and Bedroom Type
Charlottetown CA

| Zone | Bachelor | | 1 Bedroom | | 2 Bedroom | | 3 Bedroom + | |
|---------------------|----------|------|-----------|------|-----------|------|-------------|------|
| | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 |
| Zone 1 - Downtown | 391 | 406 | 491 | 488 | 630 | 637 | 724 | 759 |
| Zone 2 - Peripheral | ** | ** | 479 | 480 | 586 | 592 | ** | ** |
| Charlottetown CA | 393 | 408 | 489 | 486 | 610 | 617 | 715 | 760 |

1.1.3 Number of Private Apartment Units Vacant and Universe in October 2005
by Zone and Bedroom Type
Charlottetown CA

| Zone | Bachelor | | 1 Bedroom | | 2 Bedroom | | 3 Bedroom + | | Total | |
|---------------------|----------|-------|-----------|-------|-----------|-------|-------------|-------|--------|-------|
| | Vacant | Total | Vacant | Total | Vacant | Total | Vacant | Total | Vacant | Total |
| Zone 1 - Downtown | 10 | 147 | 37 | 834 | 39 | 1,320 | 19 | 171 | 104 | 2,471 |
| Zone 2 - Peripheral | ** | ** | 7 | 243 | 54 | 1,051 | ** | ** | 62 | 1,310 |
| Charlottetown CA | 10 | 160 | 44 | 1,077 | 93 | 2,370 | 20 | 174 | 166 | 3,781 |

1.1.4 Private Apartment Availability Rates (%)
by Zone and Bedroom Type
Charlottetown CA

| Zone | Bachelor | | 1 Bedroom | | 2 Bedroom | | 3 Bedroom + | | Total | |
|---------------------|----------|------|-----------|------|-----------|------|-------------|------|-------|------|
| | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 |
| Zone 1 - Downtown | n/a | 6.5 | n/a | 5.6 | n/a | 6.0 | n/a | 14.5 | n/a | 6.5 |
| Zone 2 - Peripheral | n/a | ** | n/a | 8.1 | n/a | 7.3 | n/a | ** | n/a | 7.5 |
| Charlottetown CA | n/a | 6.0 | n/a | 6.2 | n/a | 6.6 | n/a | 14.8 | n/a | 6.8 |

** : Data suppressed to protect confidentiality or because data is not statistically reliable

n/u : No units exist in the universe for this category

n/s : No units exist in the sample for this category

n/a : Not applicable

1.2.1 Private Apartment Vacancy Rates (%)
by Year of Construction and Bedroom Type
Charlottetown CA

| Year of Construction | Bachelor | | 1 Bedroom | | 2 Bedroom | | 3 Bedroom + | | Total | |
|-------------------------|------------|------------|------------|------------|------------|------------|-------------|-------------|------------|------------|
| | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 |
| Charlottetown CA | | | | | | | | | | |
| Pre 1940 | ** | ** | 7.4 | 5.2 | 4.0 | 5.9 | ** | ** | 6.2 | 5.8 |
| 1940 - 1959 | ** | ** | ** | 2.8 | ** | 4.2 | ** | ** | 4.8 | 4.1 |
| 1960 - 1974 | ** | ** | ** | ** | ** | ** | ** | ** | 4.3 | ** |
| 1975 - 1989 | ** | ** | 2.5 | 2.2 | 2.8 | 5.5 | ** | ** | 3.1 | 4.6 |
| 1990 - 1999 | n/u | n/u | 0.0 | ** | 1.6 | ** | ** | ** | 1.4 | ** |
| 2000+ | ** | n/u | ** | ** | ** | ** | ** | ** | ** | ** |
| Total | 9.9 | 6.0 | 4.0 | 4.1 | 3.7 | 3.9 | 7.2 | 11.5 | 4.2 | 4.4 |

1.2.2 Private Apartment Average Rents (\$)
by Year of Construction and Bedroom Type

| Charlottetown CA | | | | | | | | | |
|-------------------------|------------|------------|------------|------------|------------|------------|-------------|------------|--|
| Year of Construction | Bachelor | | 1 Bedroom | | 2 Bedroom | | 3 Bedroom + | | |
| | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | |
| Charlottetown CA | | | | | | | | | |
| Pre 1940 | ** | ** | 460 | 462 | 520 | 562 | ** | ** | |
| 1940 - 1959 | ** | ** | ** | 461 | ** | 570 | ** | ** | |
| 1960 - 1974 | ** | ** | ** | ** | ** | ** | ** | ** | |
| 1975 - 1989 | ** | ** | 502 | 496 | 579 | 582 | ** | ** | |
| 1990 - 1999 | n/u | n/u | 556 | ** | 665 | ** | ** | ** | |
| 2000+ | ** | n/u | ** | ** | ** | ** | ** | ** | |
| Total | 393 | 408 | 489 | 486 | 610 | 617 | 715 | 760 | |

1.3.1 Private Apartment Vacancy Rates (%)
by Structure Size and Bedroom Type

| Charlottetown CA | | | | | | | | | | |
|------------------|----------|------|-----------|------|-----------|------|-------------|------|-------|------|
| Size | Bachelor | | 1 Bedroom | | 2 Bedroom | | 3 Bedroom + | | Total | |
| | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 |
| Charlottetown CA | | | | | | | | | | |
| 3 to 5 Units | ** | ** | 8.8 | 3.4 | 2.1 | 5.1 | ** | ** | 5.7 | 5.0 |
| 6 to 19 Units | ** | ** | 3.3 | 4.9 | 3.8 | 3.8 | ** | ** | 4.1 | 4.6 |
| 20 to 49 Units | ** | 9.6 | 0.0 | 3.9 | 2.4 | 3.4 | 0.0 | ** | 2.1 | 3.7 |
| 50 to 99 Units | ** | ** | 3.8 | 1.9 | 11.2 | 5.6 | ** | ** | 7.0 | 3.0 |
| 100+ Units | n/u | n/u | n/u | n/u | n/u | n/u | n/u | n/u | n/u | n/u |
| Total | 9.9 | 6.0 | 4.0 | 4.1 | 3.7 | 3.9 | 7.2 | 11.5 | 4.2 | 4.4 |

** : Data suppressed to protect confidentiality or because data is not statistically reliable

n/u : No units exist in the universe for this category

n/s : No units exist in the sample for this category

n/a : Not applicable

| 1.3.2 Private Apartment Average Rents (\$) | | | | | | | | |
|---|------------|------------|------------|------------|------------|------------|-------------|------------|
| by Structure Size and Bedroom Type | | | | | | | | |
| Charlottetown CA | | | | | | | | |
| Size | Bachelor | | 1 Bedroom | | 2 Bedroom | | 3 Bedroom + | |
| | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 |
| Charlottetown CA | | | | | | | | |
| 3 to 5 Units | ** | ** | 458 | 461 | 541 | 572 | ** | ** |
| 6 to 19 Units | ** | ** | 473 | 470 | 590 | 596 | ** | ** |
| 20 to 49 Units | ** | 439 | 505 | 502 | 656 | 651 | 722 | ** |
| 50 to 99 Units | ** | ** | 565 | 556 | 936 | 938 | ** | ** |
| 100+ Units | n/u | n/u | n/u | n/u | n/u | n/u | n/u | n/u |
| Total | 393 | 408 | 489 | 486 | 610 | 617 | 715 | 760 |

| 1.4 Private Apartment Vacancy Rates (%) | | | | | | | | | | |
|--|------------|------------|------------|------------|------------|------------|-------------|-------------|------------|------------|
| by Rent Range and Bedroom Type | | | | | | | | | | |
| Charlottetown CA | | | | | | | | | | |
| Rent Range | Bachelor | | 1 Bedroom | | 2 Bedroom | | 3 Bedroom + | | Total | |
| | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 |
| Charlottetown CA | | | | | | | | | | |
| LT \$400 | ** | ** | ** | ** | ** | n/s | n/s | n/s | ** | ** |
| \$400 - \$499 | ** | ** | 4.1 | 4.5 | 2.3 | 1.7 | n/s | ** | 4.0 | 4.0 |
| \$500 - \$599 | ** | n/s | 3.5 | 3.5 | 2.3 | 5.1 | ** | ** | 2.8 | 4.7 |
| \$600 - \$699 | n/s | n/s | ** | ** | 3.4 | 3.5 | ** | ** | 3.4 | 4.1 |
| \$700 - \$799 | ** | ** | ** | ** | ** | ** | ** | ** | 4.5 | 2.5 |
| \$800+ | n/s | ** | ** | ** | ** | ** | ** | ** | ** | ** |
| Total | 9.9 | 6.0 | 4.0 | 4.1 | 3.7 | 3.9 | 7.2 | 11.5 | 4.2 | 4.4 |

** : Data suppressed to protect confidentiality or because data is not statistically reliable

n/u : No units exist in the universe for this category

n/s : No units exist in the sample for this category

n/a : Not applicable

3.1.1 Private Row (Townhouse) and Apartment Vacancy Rates (%)
by Zone and Bedroom Type
Charlottetown CA

| Zone | Bachelor | | 1 Bedroom | | 2 Bedroom | | 3 Bedroom + | | Total | |
|-------------------------|------------|------------|------------|------------|------------|------------|-------------|-------------|------------|------------|
| | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 |
| Zone 1 - Downtown | 9.3 | 6.5 | 4.4 | 4.4 | 4.4 | 3.0 | 5.6 | 18.3 | 4.8 | 5.6 |
| Zone 2 - Peripheral | ** | ** | 2.3 | 3.1 | 2.9 | 5.4 | 3.0 | 7.7 | 2.9 | 5.0 |
| Charlottetown CA | 9.9 | 6.0 | 3.9 | 4.1 | 3.7 | 4.0 | 5.0 | 16.9 | 4.1 | 5.4 |

3.1.2 Private Row (Townhouse) and Apartment Average Rents (\$)
by Zone and Bedroom Type

Charlottetown CA

| Zone | Bachelor | | 1 Bedroom | | 2 Bedroom | | 3 Bedroom + | |
|-------------------------|------------|------------|------------|------------|------------|------------|-------------|------------|
| | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 |
| Zone 1 - Downtown | 391 | 406 | 491 | 488 | 630 | 637 | 802 | 825 |
| Zone 2 - Peripheral | ** | ** | 479 | 480 | 588 | 594 | 697 | 702 |
| Charlottetown CA | 393 | 408 | 489 | 486 | 611 | 618 | 778 | 809 |

3.1.3 Number of Private Row (Townhouse) and Apartment Units Vacant and Universe in October 2005
by Zone and Bedroom Type

Charlottetown CA

| Zone | Bachelor | | 1 Bedroom | | 2 Bedroom | | 3 Bedroom + | | Total | |
|-------------------------|-----------|------------|-----------|--------------|-----------|--------------|-------------|------------|------------|--------------|
| | Vacant | Total | Vacant | Total | Vacant | Total | Vacant | Total | Vacant | Total |
| Zone 1 - Downtown | 10 | 148 | 37 | 842 | 40 | 1,352 | 63 | 345 | 149 | 2,686 |
| Zone 2 - Peripheral | ** | ** | 7 | 243 | 58 | 1,067 | 4 | 52 | 69 | 1,375 |
| Charlottetown CA | 10 | 161 | 44 | 1,085 | 98 | 2,418 | 67 | 397 | 218 | 4,061 |

3.1.4 Private Row (Townhouse) and Apartment Availability Rates (%)
by Zone and Bedroom Type

Charlottetown CA

| Zone | Bachelor | | 1 Bedroom | | 2 Bedroom | | 3 Bedroom + | | Total | |
|-------------------------|------------|------------|------------|------------|------------|------------|-------------|-------------|------------|------------|
| | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 |
| Zone 1 - Downtown | n/a | 6.5 | n/a | 5.6 | n/a | 5.9 | n/a | 20.8 | n/a | 7.7 |
| Zone 2 - Peripheral | n/a | ** | n/a | 8.1 | n/a | 7.7 | n/a | 7.7 | n/a | 7.7 |
| Charlottetown CA | n/a | 6.0 | n/a | 6.2 | n/a | 6.7 | n/a | 19.1 | n/a | 7.7 |

** : Data suppressed to protect confidentiality or because data is not statistically reliable

n/u : No units exist in the universe for this category

n/s : No units exist in the sample for this category

n/a : Not applicable

METHODOLOGY

Canada Mortgage and Housing Corporation (CMHC) conducts the **Rental Market Survey (RMS)** every year in October to estimate the relative strengths in the rental market. The survey is conducted on a sample basis in all urban areas with populations of 10,000 and more. The survey targets only structures with at least three rental units, which have been on the market for at least three months. The data collected for a structure depends on its initiation type (public or private), and whether it is an apartment or a row structure. The survey collects vacant unit data for all sampled structures. The market rent data are collected for only privately initiated structures. The available unit data are obtained only for privately initiated apartment or row structures. Most data contained in this publication refer to privately initiated apartment structures.

The survey is conducted by a combination of telephone interviews and site visits, and information is obtained from the owner, manager, or building superintendent. The survey is conducted during the first two weeks of October, and the results reflect market conditions at that time.

Definitions

Availability: A rental unit is considered available if the existing tenant has given, or has received, notice to move, and a new tenant has not signed a lease; or the unit is vacant (see definition of vacancy below).

Rent: The rent refers to the actual amount tenants pay for their unit. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking, and hot water. For available and vacant units, the rent is the amount the owner is asking for the unit.

It should be noted that the average rents reported in this publication provide a sound indication of the amounts paid by unit size and geographical sector. Utilities such as heating, electricity and hot water may or may not be included in the rent. The changes in average rent do not necessarily correspond to rent changes within a given structure. The increase or decrease of the average rents between two years may or may not be statistically significant due to other factors such as the variability of the rents.

Rental Apartment Structure: Any building containing three or more rental units, of which at least one unit is not ground oriented. Owner-occupied units are not included in the rental building unit count.

Rental Row (Townhouse) Structure: Any building containing three or more rental units, all of which are ground oriented with vertical divisions. Owner-occupied units are not included in the rental building unit count. These row units in some centres are commonly referred to as townhouses.

Vacancy: A unit is considered vacant if, at the time of the survey, it is physically unoccupied and available for immediate rental.

Definitions of Census Areas referred to in this publication are as follows:

A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core is at least 10,000 to form a census agglomeration and at least 100,000 to form a census metropolitan area. To be included in the CMA or CA, other adjacent municipalities must have a high degree of integration with the central urban area, as measured by commuting flows derived from census place of work data. CMAs and CAs contain whole municipalities or Census Subdivisions.

All data presented in this publication is based on Statistics Canada's 2001 Census area definitions.

Acknowledgement

The Rental Market Survey could not have been conducted without the cooperation of the rental property owners, managers and building superintendents throughout Canada. CMHC acknowledges their hard work and assistance in providing timely and accurate information. As a result of their contribution, CMHC is able to provide information that benefits the entire housing industry.

Information and Subscriptions

For more information about this publication or any other questions on the Charlottetown housing market, please call our **Client Service Department** at (902) 426-4708 or e-mail us at mmerrick@cmhc-schl.gc.ca.

To learn more about Market Analysis Centre products and services and subscribe on-line visit:
www.cmhc.ca/mktinfo/store/

For more information on other CMHC products and services visit: www.cmhc.ca

Cette publication est aussi disponible en français sous le titre: Rapport sur le marché locatif.

07/12/2005

© 2005 Canada Mortgage and Housing Corporation. All rights reserved. No portion of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, mechanical, electronic, photocopying, recording or otherwise without the prior written permission of Canada Mortgage and Housing Corporation. Without limiting the generality of the foregoing, no portion of this publication may be translated from English into any other language without the prior written permission of Canada Mortgage and Housing Corporation. The information, analyses and opinions contained in this publication are based on various sources believed reliable, but their accuracy cannot be guaranteed. The information, analyses and opinions shall not be taken as representations for which Canada Mortgage and Housing Corporation or any of its employees shall incur responsibilities.